

## Better Practices Guide

<sup>1</sup> General Ledger	<ul style="list-style-type: none"> <li>• Is there adequate management review and reconciliation of general ledger journal entry information.</li> <li>• All journal postings are authorized by an appropriate official.</li> <li>• Access to general ledger processing functions/data is restricted to authorized personnel adequately segregated from incompatible duties.</li> <li>• Journal vouchers are entered for processing accurately, completely and only once.</li> <li>• Journal vouchers are completely and accurately processed in the proper accounting period.</li> <li>• The general ledger provides sufficient analysis of transactions.</li> </ul>
Financial Reporting	<ul style="list-style-type: none"> <li>• Accounting records are retained in accordance with applicable laws and regulations.</li> <li>• Confidentiality of financial information is maintained.</li> <li>• Financial reports are prepared accurately, completely and in an efficient and timely manner.</li> <li>• Financial reports are prepared in compliance with applicable laws and regulations.</li> <li>• Management is provided with adequate timely and accurate information to enable them to discharge their responsibility.</li> </ul>
Cash Balances	<ul style="list-style-type: none"> <li>• Adequate and properly authorized bank mandates have been established.</li> <li>• An effective and efficient cashiers department has been established.</li> <li>• Bank reconciliations are performed on a frequent and timely basis.</li> <li>• Cash balances are adequately safeguarded.</li> <li>• Significant petty cash and cash flow balances are properly controlled.</li> </ul>
Cash Flow Management	<ul style="list-style-type: none"> <li>• Adequate information is produced and used in the control and use of cash flow to assure cash is available to meet the needs of the organization.</li> </ul>
Payroll	<ul style="list-style-type: none"> <li>• Timecards for all staff are properly signed and authorized by the supervisor.</li> <li>• W-4 information is kept up to date.</li> <li>• All leave slips are properly signed</li> <li>• Data used as the basis for the payroll calculation is reviewed and approved by other than the person doing</li> </ul>

<sup>11</sup> The ANAO Better Practice Guide is gratefully acknowledged as a reference for putting this table together.

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	<p>the calculations.</p> <ul style="list-style-type: none"> <li>• Access to payroll processing functions/data is restricted to authorized personnel.</li> <li>• Pay rate changes, deductions and other employee withholding data are properly authorized.</li> <li>• All payroll data is entered for processing accurately, completely and only once.</li> <li>• Individual employee pay records are kept up to date.</li> <li>• Employee pay records are kept up to date in the employee payroll journal for each pay period.</li> <li>• Payroll data is completely and accurately processed in the proper accounting period.</li> <li>• All applicable taxes are paid each pay period.</li> </ul>
Personnel Records	<ul style="list-style-type: none"> <li>• All necessary personnel paperwork is completed and paperwork is signed by the employee.</li> <li>• Confidentiality of personnel data is maintained.</li> <li>• Employee recruitment is appropriately authorized and properly undertaken.</li> <li>• Employee terminations are appropriately authorized and properly undertaken.</li> <li>• Employee evaluations are done regularly and signed by the employee and the supervisor.</li> </ul>
Inventory Control	<ul style="list-style-type: none"> <li>• There are policies and procedures in place outlining inventory control so that oversight is provided.</li> <li>• Physical inventory is appropriately verified at least annually.</li> <li>• Inventory locator files are kept up to date and physically checked.</li> <li>• Inventory items are properly safeguarded against loss or damage.</li> <li>• Inventory transfer data is completely and accurately processed in the proper accounting period.</li> </ul>
Asset Management	<ul style="list-style-type: none"> <li>• There are policies and procedures in place outlining the management of fixed assets.</li> <li>• Fixed asset acquisition costs are minimized.</li> <li>• Fixed asset balances are periodically verified.</li> <li>• Fixed assets are disposed of at the time and in the manner which is most cost effective.</li> <li>• Fixed assets are properly maintained.</li> <li>• Fixed assets are properly safeguarded against loss or damage.</li> <li>• All acquisitions are authorized by an appropriate official.</li> <li>• All disposals and asset transfers are approved by an appropriate official.</li> <li>• Acquisition and disposal transaction data is accurately and</li> </ul>

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	<ul style="list-style-type: none"> <li>completely reflected in the financial records.</li> <li>Acquisition and disposal transaction data is completely and accurately processed in the proper accounting period.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>There are policies and procedures in place outlining the purchasing activities.</li> <li>Purchase orders and contracts comply with applicable laws regulations, and ordinances.</li> <li>The most appropriate source of supply is selected.</li> <li>Access to purchase order and supplier processing functions/data is restricted to authorized staff.</li> <li>All purchasing transactions are entered for processing completely, accurately and only once.</li> <li>Purchase orders are authorized by an appropriate official prior to the order being placed.</li> <li>Purchase orders are prepared which identify suppliers, quantities ordered and prices.</li> <li>Purchasing data is completely and accurately processed in the proper accounting period.</li> <li>All lines of authority in the procurement stream are aware of <b>Conflict of Interest</b> policies.</li> </ul>
Receipt of Goods	<ul style="list-style-type: none"> <li>Limited to authorized personnel.</li> <li>Access to receiving processing functions/data is restricted to authorized personnel.</li> <li>Receiving data is completely and accurately processed in the proper accounting period (including updating of inventory records).</li> <li>Invoice or packing slip matched with purchase orders for goods received and differences are investigated on a timely basis.</li> </ul>
Invoices	<ul style="list-style-type: none"> <li>Accounts payable balances are reconciled to statements from vendors.</li> <li>An effective and efficient accounts payable is in place and is being followed.</li> <li>Invoices are checked for accuracy.</li> <li>Vendor invoice data for goods received is matched with purchasing and receiving data.</li> <li>Vendor invoices for goods received and services are approved for payment by an appropriate official.</li> </ul>
Accounts Payable	<ul style="list-style-type: none"> <li>Payments are made at the most efficient and effective time with respect to cash flow.</li> <li>All cash disbursements are approved by an appropriate official.</li> <li>Cash disbursements are completely and accurately</li> </ul>

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<p>Appropriations</p> <p>Sales</p> <p>Customer Billing</p>	<p>processed in the proper accounting period.</p> <ul style="list-style-type: none"> <li>• Cash disbursements are prepared completely and accurately using from approved invoices or other supporting documentation.</li> <li>• Cash disbursements are coded to the proper account.</li> <li>• Checks are mailed promptly to the correct vendor.</li> </ul> <ul style="list-style-type: none"> <li>• The budget appropriations document is available and referred to.</li> <li>• All revenue is coded to the proper account.</li> <li>• Revenue is processed in the proper accounting period.</li> <li>• Electronic transfers are coded to the proper account.</li> </ul> <ul style="list-style-type: none"> <li>• Sales prices and amendments are properly authorized.</li> <li>• Customer orders are completely and accurately processed in the proper accounting period.</li> <li>• Customer accounts are brought up to date.</li> </ul> <ul style="list-style-type: none"> <li>• An effective and efficient customer billing system has been established.</li> <li>• All goods delivered and services performed are invoiced.</li> <li>• All invoice and credit note data is entered for processing accurately, completely and only once.</li> <li>• Invoice adjustments and credit notes are approved by an appropriate official.</li> <li>• Invoices and credit notes are accurately prepared.</li> <li>• Invoice and credit information is completely and accurately processed in the proper accounting period.</li> </ul>
<p>Customer/ Cash Receipts</p>	<ul style="list-style-type: none"> <li>• Adequate management information is produced and employed in the management of the cash receipts system.</li> <li>• Access to receipts processing functions/data is restricted to authorized personnel.</li> <li>• All receipts data is entered for processing accurately, completely and only once.</li> <li>• Receipts are properly applied to accounts receivable balances.</li> <li>• Receipts data is completely and accurately recorded in financial records.</li> <li>• Receipts data is recorded in the proper accounting period.</li> <li>• Adequate procedures exist to identify receivable balances for which collection is uncertain.</li> <li>• All debt provisions and write-offs are appropriately authorized.</li> <li>• An effective and efficient credit control function has been established.</li> </ul>

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Petty Cash	<ul style="list-style-type: none"><li>• A petty cash policy is established in writing.</li><li>• Cash disbursements from the petty cash fund are backed up by receipts.</li><li>• Limitations are spelled out in the policy.</li><li>• Disbursements are distributed to the proper accounts.</li></ul>
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